Negotiations for the supply of T.V. decoders

*103. SHRI VIRENDRA VERMA:†
SHRI MOHINDER SINGH LATHER:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that a team of ET&T had visited France to finalise the deal for the purchase of TV decoders about four years ago;

(b) if so, with how many manufacturers the negotiations were held by the team before finalising the deal, stating the comparative offers made by these manufacturers;

(c) whether any global tenders were invited before placing an order; if so, the details thertof and if not, the reasons therefor;

(d) whether the final deal was struck with a manufacturer or whether these were procured from a trader, stating the nature of the warranty, if any, taken from the supplier and the cost involved, in foreign exchange;

(e) whether any prior permission of the Board of Directors was obtained for their import; and

(f) whether it is also a fact that the number of T.V. decoders was raised to ten thousand from the initial proposal of the Ministry of Information and Broadcasting to import only one thousand decoders; if so, under what circumstances the number of the decoders was raised and the additional cost involved as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) to (f) A Statement is laid on the Table of the Rajya Sabha.

†The question was actually asked on the floor of the House by Shri Virendra Verma.

Statement

(a) to (d) Doordarshan decided to introduce a Teletext Service which is designed to transmit vital textual information of immediate interest to the public, banking community, financial institutions, etc. by the broadcasting mode. The service was to be telecast along with the normal TV signal for display on TV screen retrievable with the help of a 'decoder'. For this purpose, comparative study of different teletext systems available in various countries was made. The systems in USA and Canada were considered technically in-compatible as they operated on a different TV transmission system from that in vogue in India. The systems in UK, France and Japan were studied by an inter-ministerial delegation of experts which included representatives of public sector undertakings. Based on this study, it was decided to adopt the French system, 'Antiope' as it was considered to be most suitable for adoption by Doordarshan. This system also had the flexibility of transmitting characters in mosaic graphic form which gives it an in-built flexibility of transmitting information in Indian scripts also.

The decoders were imported from M/s. Sofratey, France, a French Government Undertaking, which was an umbrella organisation for supplying the hardware, its installation, commissioning and training of Doordarshan personnel for operating the system. As it was decided to adopt the French system and it was necessary to import the decoders from France, no global tender was floated.

An assessment of the likely demand of the decoders was made in consultation with the public sector undertakings manufacturing TVs and the representatives of Indian TV Manufacturers' Association. An initial demand of 15,000 decoders was arrived at. It was also decided that the import of these decoders should be canalised through ET&T and ET&T was asked to effect the imports. Sub-

sequently as the TV manufacturers scaled down their requirements substantially, the import was reduced to 10,500 nos. only.

In pursuance of this, ET&T deputed an officer to France to finalise the shipment details etc. regarding the import just before placing the formal order.

A warranty for a period of 12 months from the date of purchase by ET&T covering faults in material, workmanship and function was taken from the supplier. The f.o.b. cost involved in foreign exchange was 124.95 lakhs French Francs equivalent to Rs. 187.42 lakhs approximately.

(e) Under the delegation of powers, Managing Director ET&T is authorised to make such purchases from International sources. However, for purchases beyond Rs. 1.00 crore, the matter is required to be reported to the Board of Directors. The matter was reported to the Board of Directors of ET&T at its meeting held on 6-6-1988.

(f) On 4th February, 1985, Department of Electronics signed a Memorandum of Understanding with Sofratev in which Sofratev agreed to supply Electronics Corporation of India Limited (ECIL) TV decoders not exceeding 1000 numbers. The total demand for 15,000 decoders was conveyed by the Ministry of Information & Broadcasting to ET&T on 9th October, 1985 after discussion with public sector undertakings manufacturing TVs and the representatives of Indian TV Manufacturers Association. Later, however, the number was reduced to 10,500 following scaling down of the demand by TV manufacturers.

श्री धीरेन्द्र वर्मा : माननीय, भारत में जैसी प्रणाली की आवश्यकता थी वैसी फ्रान्स, ब्रिटेन और जापान में उपलब्ध थी। ऐसी स्थिति में माननीय मंत्री जी यह बताने की कृपा करें कि अकेले फ्रांस में केवल एक फर्म से ही उन्होंने क्यों टेन्डर वाल किये हैं जबकि फ्रांस में भी इस प्रकार के डिकोडर्स तैयार करने वाली अन्य फर्में भी थीं, इस प्रकार की सभी फर्मों से टेंडर क्यों नहीं काल किये गये और ब्रिटेन और जापान से भी टेंडर क्यों नहीं काल किये गये ?

SHRI K. R. NARAYANAN: Sir, I have said in the answer that the U.K. and Japanese and other systems, are not compatible with the Indian TV system. Therefore, we could not buy the technology from them. As regards France, a delegation was sent by the Ministry of Information and Broadcasting. It consisted of members from the Department of Electronics also and they met various firms in France and had discussions with them and the decision was that this umbrella organisation, called Sofratev, will be responsible for dealing with India. It is a governmental organisation of France, a public undertaking and that they would take the responsibility of supplying the equipment, materials and also for training Indian personnel. In fact, there was a Memorandum of Understanding signed with them under which they would supply the entire system. they were going to instal the system in India and therefore it was natural to get decoders through them. They were not the manufacturers. They were getting it from the French manufacturers at factory price, a very reasonable price and they were supplying to us. Therefore, one could not float the global tender in the circumstances.

श्री धीरेन्द्र वर्मा : माननीय, मैंने यह पूछा था कि फ्रांस में कई अन्य फर्में थीं जो इस प्रकार के डिकोडर्स तैयार कर रही थीं, उनसे आपने कोटेशन्स क्यों नहीं मांगे ?

SHRI K. R. NARAYANAN: Sir, first of all the Ministry of Information and Broadcasting had discussions with the French authorities. In fact, when the French Minister of Communication Techniques came to India

in 1985, discussions were held by the Ministry of Information and Broadcasting and a basic decision was taken that Sofratev, the French governmental undertaking would instal this new system in India. And they also took the responsibility of getting decoders from a French governmental undertaking itself in France. But nevertheless the delegation which went to France had met various other French firms like...

SHRI VIRENDRA VERMA: Why were not the quotations from these French firms invited?

SHRI K. R. NARAYANAN: We did not invite the quotations because we had an agreement with this umbrella organisation in France to buy the entire system and also give them the responsibility for installing it in India, training our personnel and also for giving us the technology transfer. They were also to transfer us the technology for indigenously manufacturing the system in India. This was a package agreement. That is why we did not call for tenders.

श्री वीरेन्द्र वर्मा : मान्यवर, मेरा दूसरा प्रश्न है ।

श्री सभापति : आपने दूसरा प्रश्न पूछ तो लिया है !

श्री वीरेन्द्र वर्मा : वह मैंने फ्रांस की अन्य फर्म्स के बारे में पूछा था, लेकिन उन्होंने वह भी एक्सप्लेन नहीं किया ।

श्री सभापति : उन्होंने बताया है कि वह इसमें दिया हुआ है ।

श्री वीरेन्द्र वर्मा : मान्यवर, मेरा दूसरा प्रश्न है कि इलैक्ट्रोनिक्स विभाग ने एक हजार डिकोडर्स खरीदने की सहमति दी थी । इलेक्ट्रोनिक्स डिपार्टमेंट ने 4-2-85 में एक समझौता किया था और आपने उस एग्रीमेंट के ऊपर सिगनेचर भी किये थे । एक हजार डेकाडर्स खरीदने की सहमति हुई थी, इजाजत हुई थी । लेकिन इनफारमेशन एण्ड ब्रोडकास्टिंग मिनिस्ट्री ने 15 हजार का 9 अक्तूबर को आदेश दिया था । फिर दूरदर्शन ने कहा कि 10500 ही चाहिये । तो मैं मंत्री महोदय से यह पूछना चाहूंगा कि सहमति तो थी एक हजार की और इन सब की कीमत हुई मान्यवर 1 करोड़ 87 लाख । एक करोड़ से अधिक का अगर कोई माल खरीदा जायेगा तो वह बोर्ड में जायेगा और उसमें बोर्ड की स्वीकृति लेनी होगी । सहमति आप पहले दे चुके थे और मान्यवर बोर्ड की मीटिंग हुई है 6-6-86 को, यानि उसके एक वर्ष या सवा वर्ष बाद । इसलिये मैं मंत्री महोदय से जानना चाहूंगा कि जितने आपने खरीदे, क्या इनकी आवश्यक जांच पेश्तर नहीं कर ली थी, आर्डर करने से पेश्तर ? कभी 15 हजार, कभी एक हजार, कभी 10500 जितने आपने खरीदे उनमें से कितने अभी तक प्रयोग में आ चुके हैं और बकाया जो पड़ी हैं उनका आप क्या कर रहे हैं ? मैं यह जानना चाहता हूं कि सरकार ने जो 10500 डिकोडर्स मंगाये थे और अगर आप यहां उनको यूसलैस समझते हैं तो क्या उनको वापस करने के लिये उस फर्म के साथ बातचीत की है ? यदि हां तो उसका क्या नतीजा निकला है ?

SHRI K. R. NARAYANAN: Sir, the Memorandum of Understanding that was signed between the Department of Electronics and the French Undertaking of Sofratev was not for the total requirement of decoders. It was a MOU signed on behalf of the ECIL. Various public sector firms had met the Secretary of the Ministry of Information and Broadcasting who at the meeting discussed with them and found out the requirements of various public undertakings who manufacture TVs as well as from private manufacturers of TVs. This MOU was only for the requirement of ECIL. The ECIL is a public sector undertaking under the control of the Department of Atomic Energy. This related only to the requirement of ECIL. There were other people, public sector corporations, who had requirements for decoders. So, this was not the initial total requirement at all This was the requirement of

one particular enterprise. But in the comprehensive meeting and the comprehensive assessment which was taken at a meeting by the Secretary, Ministry of Information & Broadcasting, it was assessed that we would require 15,000 decoders. This was the requirement put forward by the various TV manufacturing firms. Later on, they reduced it by 5,000. And that is why instead of 15,000 we went in for 10,500. The 500 more was because, I understand, that in the container containing these things, they could not pack less, and, therefore, we had to buy the whole lot of that, 500 more. But actually in the discussions which were held with the public sector undertakings as well as the private TV manufacturers, originally they had put forward 15,000 as the number. 1000 (One thousand) was not the original demand. Therefore, there was no upscaling from that point of view. But it is true that after the decoders came the TV manufacturers did not live up to their commitment. They did not take all that was imported and in order to utilise what is the the stock, a major programme is being undertaken by Doordarshan and also by ET&T, first of all to introduce it to other cities, other than Delhi, like Bombay, and then also to persuade the travel agencies, banks, hotels, hospitals, airlines etc. to make use of this new technology. A marketing programme is going on and Doordarshan has also started broadcasting in its Channel 2, in what we call the picture mode the information serial. The difference between that and the decoders is that if you have the decoder, while the TV broadcasts only what they plan through the decoder you can ask for specific information. You can ask for specific information, whether it is on air booking or railway booking or prices or stock exchange information. In various sectors the viewer can ask for this information and get it on the T.V. This is the additional advantage one has with the decoder.

With regard to the question whether the Managing Director of ET&T had taken permission for placing the order, I should like to say that he had the authority to order, without consulting anyone, up to Rs. One crore, and above one crore also he had the authority to purchase but had to inform the Board later on. And he did inform the Board at the meeting which took place. There was, I think, quite a lapse of months between this and the Board did approve this purchase of decoders.

SHRI VIRENDRA VERMA: Whether all the decoders are being utilised fully or they are lying useless.

SHRI K. R. NARAYANAN: I am afraid they are not being utilised. We have sold about 300 or so.

SHRI VIRENDRA VERMA: Only 300 are sold out of 10,500?

SHRI K. R. NARAYANAN: That is a fact. For the rest, as I tried to explain, both the Doordarshan and ET&T are trying to find methods for making various organisations use it. Northern Railways are using them already. Besides, the airlines and others may also use it on a much larger scale.

SHRI KAPIL VERMA: It appears from the Minister's answer that there was a serious mistake in calculating the requirements and something obsolete was brought. I would like to know from the Government whether is it correct—am referring to certain reports—that offer was made to French company to take back these decodes because they were not being usde, and what is more alarming is, the company replied that the sale to India was a mistake made by unauthorised agents through which the ET&T imported without the approval or knowledge of the company. Is it correct?

SHRI K. R. NARAYANAN: No, it is not correct at all. It was, in fact, on March 8, 1985, when the Secretary

of State for Communications visited India, and the Secretary of Information and Broadcasting and the Secretary of State for Communications issued a joint communique in which the French were to supply us this equipment as well as the technology transfer and all the related help for installing the system. There was no question of going through unauthorised agents. It was, in fact, prescribed by the French Government itself, and it was mentioned in the MOU signed later between the Information and Broadcasting Ministry and the French agency as well as between Electronics Department and the French agency. We did not try to send the decoders back. We are trying to utilise them. It is a very advanced technology. It would be very useful for us for getting information on various things. Doordarshan has taken it as a very important programme. In fact, I should like to read out what was mentioned in the communique issued between the Secretary of State for Communications, Electronics Department and the Secretary of Information Department. It is said: "The agreement envisages transfer of technology to Indian companies for manufacture of decoders and other ancillary equipment" and then they add: "Both countries are pleased to announce their cooperation in this field of advanced technology with manifold repercussions, technical as well as cultural, at a time when Indian television is rapidly expanding its infrastructure in order to extend its coverage and increase its programming." It has referred to the considerable cultural importance. This was the assessment made by Doodarshan, I&B Ministry and related departments and the French Government together.

SHRI KAPIL VERMA: He has not replied to my question. What went wrong with assessment because first they asked for 15,000; then they brought it down to 10,500, and only 300 have been sold. What went wrong with the assessment? Something must have happened with this assessment which went wrong, and only 300 were sold. I want the Minister to enlighten us on this.

SHRI K. R. NARAYANAN: Obviously, I cannot say that the assessment was completely correct. It is quite obvious that we could not sell all the decoders which were imported. But the assessment was made at a meeting where all those who are manufacuring TVs met the Secretary of Information and Broadcasting and they put forward their requirements and the Government added its own requirement to this, but later on they said they are not able to take what was imported.

SHRI KAPIL VERMA: But there is a serious difference between 15,000 and 300; public exchequer is involved. So, there must be very strong reasons for it. Who went wrong and what action have you taken against those persons?

MR. CHAIRMAN: Accept it that there was over-assessment.

SHRI KAPIL VERMA: It is not an ordinary thing.

SHRI KAMAL MORARKA: Sir, from what I have heard in the last ten minutes, I am sure the Minister is also clear, that this has got the making of a scandal. You cannot assess ten thousand and be able to sell only 300. It doesn't happen; it is not commercial. I want to know from the Minister: (a) whether the Managing Director has since been dismissed; and (b) whether this Managing Director, who the Minister has said, has got powers to buy up to one crore and above one crore also he has the power but he has to take subsequent approval of the Board of Directors, can buy worth 100 crores, or 1000 crores, without authority! There is no Government organisation, not even a private organisation, where the Managing Director has got unfettered powers. All powers are within some parameters. So, I want to know, what is

the quantity and the value that he has bought, specially in view of the fact that only one tender has been invited; there is only one party. O.K. that one party may be a Government company in France. But that does not make much of a difference. It is imported equipment. It is not an equipment which will suddenly get outsold and we cannot buy it later. As we go on selling, the company could have imported. Prices in international market are falling in electronic goods. Every year there is a more modern decoder available at cheaper price. If somebody is in a hurry to buy, obviously the foreign company is dumping obsolete equipment on you. So, this cannot be an innocent thing. So, please take the House into confidence and let us know what this matter is.

SHRI K. R. NARAYANAN: Assessment of the requirement was made by the Government itself... (*Interruptions*). Let me explain. On 9th October, 1985, after a meeting of various agencies, the Information and Broadcasting Ministry sent a letter to ET&T which is a trading organisation primarily, asking them to buy 15,000 decoders...

SHRI JAGESH DESAI: And then it was reduced.

SHRI KAPIL VERMA: It was considered again and it was brought down to 10,000.

SHRI K. R. NARAYANAN: I am coming to that. The Government in a letter to ET&T which is a trading organisation, asked them to buy so many, and in the same letter they said that they will let them know the FOB price as well as the sale price of the product which is imported. Therefore, the number as well as the price at which it was to be bought, was determined by the Government itself. The ET&T was just a canalising organisation: they asked them to canalise this purchase through them. They did not make the decision; they carried out the decision made by the Government.

SHRI KAPIL VERMA: The Government went wrong.

SHRI KAMAL MORARKA: Why has the Board not approved? Why has the Managing Director bought this himself? The Board, after due deliberations, could have approved it. Why the Managing Director should buy this himself?

SHRI K. R. NARAYANAN: The Board did approve it.

SHRI KAMAL MORARKA: The Board approved it subsequently.

SHRI K. R. NARAYANAN: This is the practice of the Board. This is according to their rules. They say that above a certain limit—I do not know what exactly is the limit but it cannot be an unlimited amount—the Managing Director can enter into a contract and get the approval from the Board subsequently and the Board had given the approval.

SHRI KAMAL MORARKA: What is the total value?

SHRI K. R. NARAYANAN: Rs. 2.6 crores.

SHRI KAMAL MORARKA: Who is the Managing Director?

SHRI K. R. NARAYANAN: The Managing Director retired sometime ago.

SHRI KAMAL MORARKA: What is his name?

SHRI K. R. NARAYANAN: Mr. Mohanty.

SHRI KAPIL VERMA: The Government has made a mistake. The Minister should explain this.

SHRI BIR BHADRA PRATAP SINGH: Mr. Chairman, Sir, these decoders are a kind of TV accessory. Part (a) of my question is will the Government explain the procedure for the import of TV accessories and not other aspects of the matter? Part (b)

of my question is, the reason why such accessories cannot be developed in our own country. There is nothing very special about the technology which is used in the manufacture of these accessories. Why should they be imported?

SHRI K. R. NARAYANAN: It is entirely outside of this question. Normally as a matter of policy, we do not import accessories which are manufactured in India. No permission is given for that. Permission is given for the import of anything which is manufactured in India, only in exceptional circumstances; for example, where the item is not available in sufficient quantity.

MR. CHAIRMAN: Where the technology is not available in India.

SHRI K. R. NARAYANAN: The required quantity may not be available or we may not be able to get it in time. It is only in exceptional cases an item, which is manufactured in India, is permitted to be imported. Otherwise, we do not import the technology which is available in India.

SHRI B. SATYANARAYAN REDDY: Mr. Chairman, Sir, from what we have heard from the hon. Minister so far, we find that it was a case of bungling and wastage of crores of rupees by the ET&T which imported these decoders from France some four years back. Crores of rupees are blocked. Only 300 of them have been sold and the rest are lying. I do not know what is the loss, the total loss and who are being benefited by it. I would like to know from the hon. Minister, who were the local agents, what commission was paid to them and their connections, if any, with the dealing officials and directors of the ET&T. I would like the hon. Minister to give categorical answers to these questions.

SHRI K. R. NARAYANAN: There was no commission paid. One Governmental organisation dealt directly with another Governmental organisation. In fact, the ET&T did not negotiate the price. The price was really determined between the Information and Broadcasting Ministry and the French organisation, Sofratev. They informed the ET&T the price and the number. There was no possibility for the ET&T to discuss the price at all. All they did was to send one officer to France around October, 1985, to work out the shipping schedules etc. He stayed in France for a few days. He did not discuss about the price. These things were determined earlier. As it is contained in the letter itself, they have been informed of it.

SHRI YASHWANT SINHA: This is a very funny situation. A trading organisation is being told by the Government at which price they should buy a particular item! Is this the way the Government should function? This is really a funny situation.

SHRI K. R. NARAYANAN: It was acting as a canalising agent for another department of the Government.

SHRI KAMAL MORARKA: Will the losses be borne by the Government and not by the ET&T?

SHRI K. R. NARAYANAN: We hope to sell this. (*Interruptions*) Sir, may I say that this is a very advanced technology? We have to prepare the Indian public for the use of it. They were not fully aware of it. (*Interruptions*)

MR. CHAIRMAN: The hon. Minister is hopeful. (*Interruptions*) Mr. Salve.

SHRI N. K. P. SALVE: Sir, the questions have been on a high plane of metaphysics as it were. I am not educated enough to know about the technology in electronics. Therefore, my question is basic, fundamentally

based entirely on commonsense. Assuming while not conceding the trappings of scandal, at the worst a bungling, the Minister has talked about high technology and he says that it is meant for culture and he is trying to educate the people for the use of the decoders. May I know what do the decoders decode? Secondly, is it to be used for horticulture, sericulture, agriculture or culture simpliciter? What sort of a culture is it for which it is to be used? If it is a culture simpliciter and the people have to be educated for this, does he think that the Members of Parliament are reasonably cultured so that he may start by selling them to the Members of Parliament who have a TV and I have one TV? *(Interruptions)*. Cricketing culture can't tolerate this sort of bungling. *(Interruptions)*. This is not correct. Would the decoder help the Indian team in West Indies when they have lost?

SHRI VITHALRAO MADHAVRAO JADHAV: Cultural exchange.

SHRI N. K. P. SALVE: My question would be, if it is such a useful article, that it is very high technology and it is meant for culture, our nation needs both technology and culture. All of us know that. Therefore, will he briefly tell us, what is it meant for and start by selling it to the Members of Parliament at a reasonably concessional price?

SHRI KAMAL MORARKA: It is junk. Do not recommend it.

SHRI K. R. NARAYANAN: To start with, ET&T will be prepared to install this decoder in the Central Hall to give a demonstration.

SHRI N. K. P. SALVE: What is the decoder?

SHRI K. R. NARAYANAN: I am going to explain to the extent I know.

MR. CHAIRMAN: Do you want to have a class on decoder here? He can do that.

SHRI K. R. NARAYANAN: It is basically for retrieving the teletext material and the information involved is, such as news, shares, stock market, forward trading, bullion and silver, foreign exchange, airlines arrival and departures *(Interuptions)*.

SHRI N. K. P. SALVE: I am aware of that. I thought it was for decoding something.

MR. CHAIRMAN: So you are satisfied.

SHRI K. R. NARAYANAN: Already on channel 2 they are being broadcast.

MR. CHAIRMAN: And he must be using it also.

* 104. [*The questioner (Shri Prithibi Majhi) was absent. For answere* vide *cols.* 32-33 infra.]

* 105. [*The questioner (Shri Suresh Pachouri) was absent. For answer* vide *cols.* 33-34 infra.]

Hazardous effects of Analgin

*106. SHRI B. SATYANARAYAN REDDY:†
DR. (SHRIMATI) SAROJINI MAHISHI:

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether Government's attention has been drawn to an article which had appeared in the Economic and Political weekly on March 4, 1989 under the heading "counterfact on Analgin";

(b) if so, whether it is a fact that the use of Analgin leads to disorder resulting in damage to bone marrow;

(c) whether it is also a fact that safer drugs for the same indications are available in the country;

† The question was actually asked on the floor of the House by Shri B. Satyanarayan Reddy.